

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 USIA-15 AID-05 EB-08 NSC-05 SS-15

STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-01 INR-07

NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 IGA-02 PA-02

PRS-01 AGRE-00 /095 W

-----090509Z 079273 /21

R 082336Z MAR 77

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 771

INFO DEPT OF TREASURY WASHDC

UNCLAS MEXICO 2877

E.O. 11652: N/A

TAGS: ELAB, CI,MX

SUBJ: WAGES AND PRICES SINCE THE DEVALUATION

1. CONSUMER PRICE INDICES RECENTLY RELEASED BY THE BANCO DE MEXICO INDICATE THAT MEXICAN WAGE EARNERS HAVE NOT LOST AS MUCH PURCHASING POWER SINCE THE DEVALUATION AS THEIR LEADER ORIGINALLY FEARED (OR AS MANY ARE STILL CLAIMING). THE GENERAL INDEX OF PRICES ROSE BY 27.2 PERCENT FROM DECEMBER 1975 THROUGH DECEMBER 1976 (INDEX OF 200.7 TO 255.3 WITH 1968 BASE OF 100). PRICES ROSE ONLY 8.7 PERCENT FROM DECEMBER 1975 THROUGH THE DATE OF DEVALUATION, SEPT. 1, AND BY 18.5 PERCENT FROM THAT POINT THROUGH THE END OF 1976. ON THE AVERAGE, WAGES INCREASED BY 23 PERCENT DURING THE SAME PERIOD (COVERING CALENDAR 1976).

2. THOSE SUB-CATEGORIES WHICH MOST AFFECT WAGE EARNERS RAN SLIGHTLY HIGHER THAN THE GENERAL INDEX. FOOD, DRINK AND TOBACCO MEASURED A 24.1 PERCENT INCREASE FOR THE YEAR, 18.3 PERCENT OF THIS BETWEEN SEPT. 1 TO JAN. 1. WEARING APPAREL-SHOES ROSE 37.1 PERCENT FOR THE YEAR WITH 25.3 PERCENT AFTER SEPT. 1.
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TRANSPORTATION AND COMMUNICATIONS WENT UP BY 47 PERCENT FOR THE YEAR, 33.4 PERCENT OF THIS REGISTERED SINCE THE DEVALUATION.

3. THE GENERAL CPI FOR MEXICO CITY ROSE ONLY 24 PERCENT DURING THE CALENDAR YEAR WITH 8.3 PERCENT OF THIS FIGURE RECORDED PRIOR TO SEPT. 1 AND 15.7

PERCENT FROM THAT DATE THROUGH DECEMBER 31, 1976.

4. COMMENT: ORGANIZED LABOR, SINCE THE SEPT. 1
DEVALUATION HAS VOICED MUCH CONCERN THAT THEIR
GAINS IN PURCHASING POWER, WON DURING THE PAST FIVE
YEARS, HAVE RAPIDLY EVAPORATED DURING THE PAST FEW
MONTHS. BANCO DE MEXICO FIGURES, IF THEY ACCURATELY
REFLECT CONSUMER PRICE MOVEMENT, LEAVE LITTLE BASIS
FOR THESE CLAIMS. SOME LOSS IN REAL WAGES IS
INDICATED FOR THE PERIOD OF THE LAST ONE-THIRD OF
1976, BUT NOT AS EXTENSIVE AS THAT GENERALLY
CLAIMED BY ORGANIZED LABOR.
THOMPSON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WAGES, PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MEXICO02877
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770080-0480
Format: TEL
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770383/aaaacuqo.tel
Line Count: 75
Litigation Code IDs:
Litigation Codes:
Litigation History: Hold (001 Tobacco) added on 4/16/2009 3:39:09 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:07 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3431febb-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 12-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3178321
Secure: OPEN
Status: NATIVE
Subject: WAGES AND PRICES SINCE THE DEVALUATION
TAGS: ELAB, CI, MX
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/3431febb-c288-dd11-92da-001cc4696bcc
Review Markings:
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